

WHITE PAPER



# THE SOCIAL DILEMMA

F2F Fundraising in 2020

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# The Social Dilemma

## Face-to-Face Fundraising's Fit in the Postmodern Marketing Mix

No matter how quickly we peel out of twenty-twenty, the residue of what remains will likely plague our postmodern world for a time yet.

To say that we have approached or passed through a new era of communication is difficult to discern. However, this abrupt digital shift has ruffled the way we conduct and possibly perceive one-to-one communication.

For fundraising managers, finding and sustaining donors has an added layer of complexity. Through the initial wave of the pandemic, what has proven to be their greatest direct acquisition tactic of recurring donors was halted.

At the very early stage of the pandemic, participants from a donor centrics sustainer summit indicated that programs were experiencing upheaval as canvassing had been suspended. While certainly problematic for donor acquisition, participants with in-house canvass teams expressed extraordinary compassion showing as much concern for their talented employees and advocates as the financial impact on their programs.<sup>1</sup>

The momentum canvassing had experienced from 2019—many non-profits reaching an all-time high for canvass-acquired donors—was stifled by social distancing measures. Results of this interim period will no doubt reveal increased digital marketing activity, but how fundraisers resort back to face-to-face could be telling of the organizations that recover the quickest.

Canvassing (including face to face/street and door to door) was an important and growing channel for sustainer giving acquisition in FY2019. Out of 33 charities studied, more than half of the organizations were engaged in canvassing, ten of which reached an all-time high for canvass-acquired donors.<sup>2</sup>

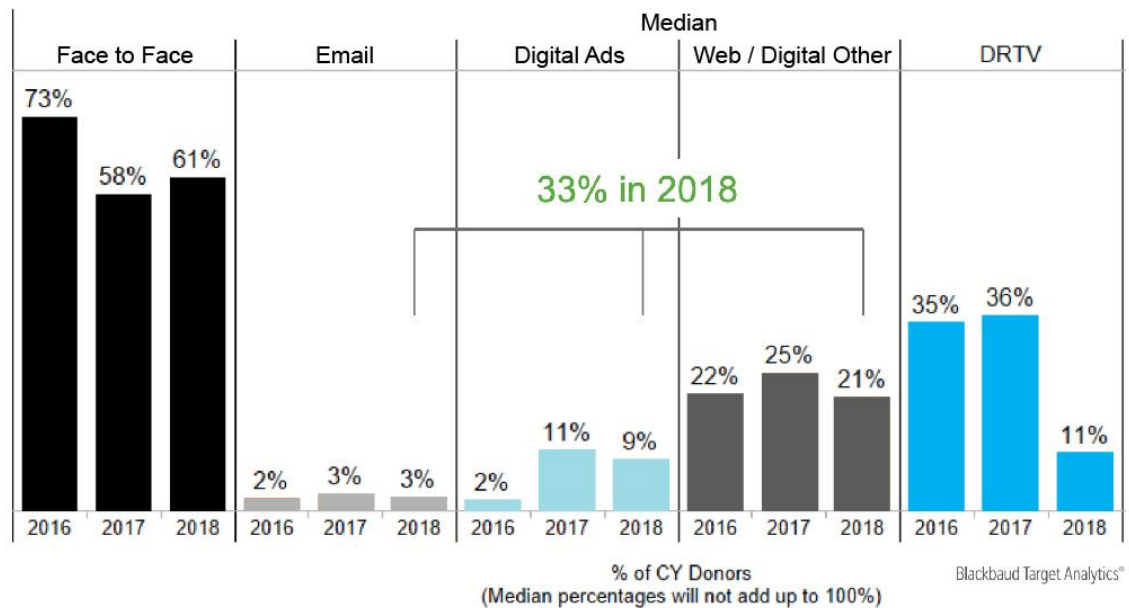
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<sup>1</sup> npengage.com. [Key Findings from the 2020 donorCentrics® Sustainer Summit](#)

<sup>2</sup> npengage.com. [Key Findings from the 2020 donorCentrics® Sustainer Summit](#)

In the fiscal year 2018, donorCentrics® analysis of 35 non-profit organizations of all sizes reported that nearly all the direct acquisition of new recurring donors consisted of three sources: face-to-face canvassing, digital channels and broadcast media. Of this mix, face-to-face accounted for the largest share (61%) and was the only source that experienced growth from FY2017 (58%).

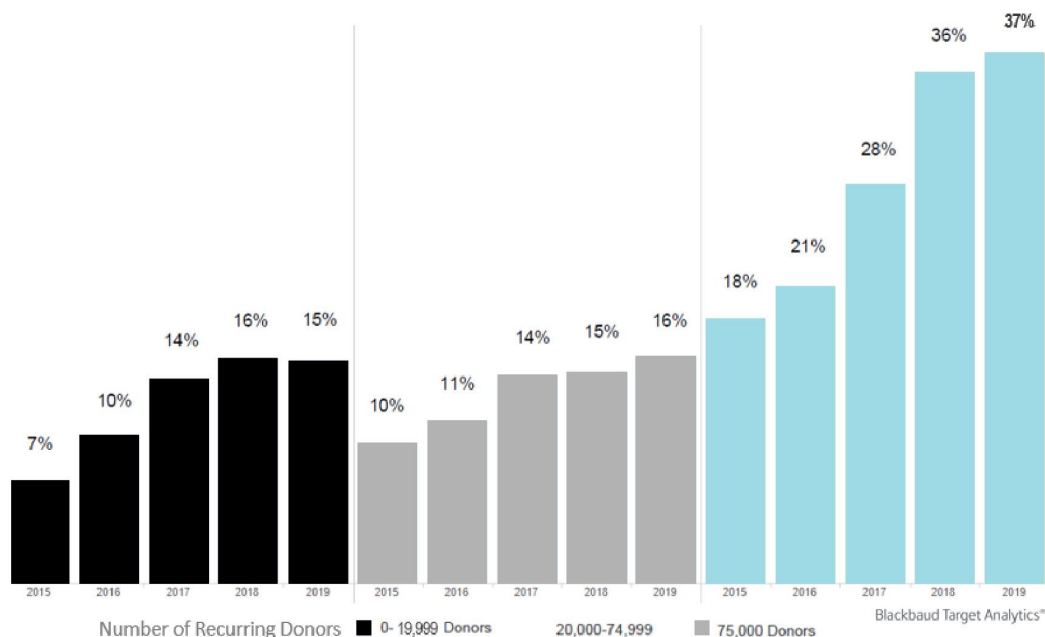
### Sources Driving Direct Acquisition of Recurring Donor



### Trending in the Right Direction

Recurring revenue has been increasing as a share of total revenue since 2015. The donorCentrics® 2020 report suggests that the median percentage of recurring gifts as a portion of revenue in FY2019 was 32%—up from 21% in FY2015 across all sectors—and “the number of donors making sustainer gifts for three or more years in a row increased by 19%.”

## The Share of Sustainers Is Growing for All Program Sizes



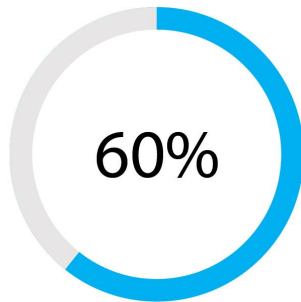
Much of this progress can be accredited to the adoption of postmodern marketing methods, where market generalizations are no longer applied and where information is leveraged to customize various forms of one-to-one communication. Better known as integrated marketing communications, fundraisers have advanced their mission by way of consistent messaging across a diverse mix of online and offline tactics—all of which have an important role within the donor cultivation lifecycle.

## Acquisition Versus Conversion

As the share of recurring revenue grows, how sustainers are attained is put under the microscope within this age of information. Most figures point to a trend in digital, noting that nearly half of these conversions are happening online. Although this may be true, it's incredibly important to distinguish the difference between *acquisition* and *conversion*. Or, more importantly, value versus volume.

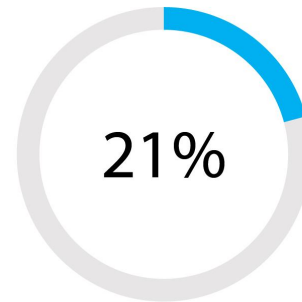
In FY2019, donorCentrics® determined that direct acquisition accounted for two-thirds of total recurring fundraising revenue. These sustainers are precious because they represent recurring donations at the point of registration. And, as indicated, of the three primary sources, face-to-face accounts for—you guessed it—nearly two-thirds of direct acquisition.

## The Share of Sustainers Is Growing for All Program Sizes



A median 60% percent of donors **acquired to recurring giving in 2017** were still giving in 2019.

Compare to:



A median 21% percent of donors **acquired with a single gift in 2017** were still giving in 2019.

This isn't to disparage the impact that digital has within the marketing mix. In fact, digital communication and online tools, like PayPal, have proven to be incredibly efficient at converting one-time gifters. However, it is a reminder that all tactics have purpose within the modern marketing mix and that direct methods have proven to be advantageous to the fundraiser looking to increase their share of sustainers.

There is a lot of “noise” on Giving Tuesday – people are bombarded with emails so creating a clear ask for a compelling program will help people to notice your campaign.<sup>3</sup>

Social programs like Giving Tuesday provide wide-reaching awareness and instigate the asking stage of the donor cultivation lifecycle. This has proven to be an effective event in activating mass, one-time donation—2019's Giving Tuesday accounted for more than \$511-million in the United States alone. However, during this annual event, it's common to neglect another key part of the donor lifecycle—stewardship.

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<sup>3</sup> [littlebeangroup.com](http://littlebeangroup.com). The Nuts and Bolt of Giving Tuesday

## A Pandemic Approach for Donor Acquisition



1. **Lead with Stewardship.**

Sustainers represent the largest share of total revenue regardless of program size. Therefore, it's important to stay connected with them. Don't dwell on the ask in a time of desperation. Instead, abide by the Pareto principle (i.e. the 80-20 rule) and rely on those most committed to your cause.



2. **Pivot to Planned Gifts.**

Pivoting from major gifts to planned gifts might enable those who are financially affected by the current state. Even though they might not be able to give now doesn't mean they aren't philanthropic. In this case, the best gift might be a planned gift.



3. **Be Conversive.**

Sustainers will want to feel confident that their giving is going to an organization that will endure market turbulence. Thus, it's important to show and share just as much confidence in your organization as in your cause. In addition, a profound understanding of the augmented ways a person can give will help include donors during a time of financial stress.

As the trend suggests, fundraisers are looking to accelerate modes of recurring revenue. In some cases, this might mean focusing on the *ask* to convert passive donors and, in other cases, it might mean employing conventional tactics—like canvassing—for proven means of new direct sustainer acquisition.

## The Social Dilemma

It's worth reiterating how much this period of abrupt digitization has augmented the way we communicate. The term 'social distancing' is an axiom that may even change the way we interact for some time, potentially thrusting us into a new form of postmodernism that's unfolding before our eyes.

For fundraising managers of this unprecedented era, it would be unwise to abandon methods of one-to-one communication that have proven to be so successful in acquiring the type of donor we covet. Yet, it would be completely irresponsible to proceed without appropriate preventative measures, hence, the dilemma.

# Adaptive Face-to-Face Techniques for a Postmodern Appeal



1. **Humanize the Appeal.**

Employ the one-to-one engagement that defines postmodern communication. Consider that sustainers offer the most certainty during uncertain times and that a face-to-face request is 34-times more successful than an email according to Harvard Business Review.<sup>4</sup>



2. **Get Creative with Tactics.**

Making a memorable impression is challenging at any point of promotion. But, social distancing requirements could compel a more creative approach. Consider what a branded yardstick might impart to help subconsciously reinforce your cause, while keeping all parties safe.



3. **Leverage Technology.**

We are in the age of information and, as postmodern marketing suggests, we have the means of personalizing the experience. Consider leveraging your databases and your digital campaigns to better target and prime your canvassing markets. And, when appropriate, virtual interactions could be a handy tool in the toolbelt.

## Evidence of Resilience

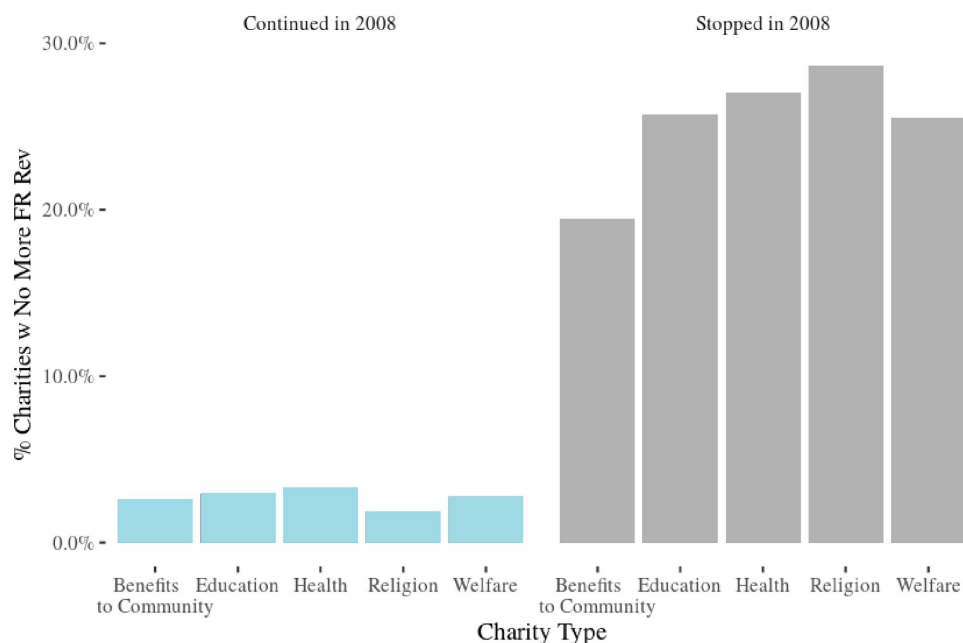
A study of registered charity information in Canada, suggests that charities who reduced their fundraising expenditures in 2008—when compared to 2007 expenditures—made them 5-times more likely to not receive fundraising revenues beyond the recession.

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<sup>4</sup> <https://hbr.org/2017/04/a-face-to-face-request-is-34-times-more-successful-than-an-email>



## The Share of Sustainers Is Growing for All Program Sizes



Regardless of whether or not you're successful at bringing in fundraising revenue during a recession, it is extremely important to continue putting in as much time, energy, and staff resources into fundraising as possible given your circumstances.<sup>5</sup>

While one would caution misinterpreting these metrics as 'doubling-down' during a time of extreme uncertainty; it is worth noting the resilience exhibited by those charities who persevered through a recession to realize the fruits of the industry's growth that followed.

From the lens of a donor, sustainers want to feel confident that their giving is going to a stable organization that will still exist in the future. This is no different than the way an investor would review a balance sheet to assess, in this case, an emotional return.

Resilience is a key attribute that we've seen persevere through a financial crisis and that will—no doubt—triumph this public health crisis. And, how we emerge will likely uncover new opportunities that will evolve postmodern methods even further. Socially, despite our digital dependence, it's impossible to ignore our human instinct for one-to-one interaction. These direct methods have defined postmodern communication philosophies and have proven to be the most resilient attribute within the fundraiser's marketing mix.

<sup>5</sup> donorscience.ca. [From Non-Profit Financial Calamity to Recovery.](#)